INDIAN EXPRESS
27/9/1969.

Props for industries in all backward areas

NEW DELHI, Sept. 26 (PTI).

Prof. D. R. Gadgil, Deputy Chairman of the Planning Commission, today suggested to the NDC Committee of Chief Ministers that concessions given by financial institutions to industries established in backward areas need not be confined to only a small number of districts.

The NDC committee of Chief Ministers met here today to consider the reports of two working groups, one on "Identification and backward areas" headed by Mr. B. D. Pande, Secretary, Planning Commission, and another on "Fiscal and financial incentives for starting industries in backward areas" under the chairmanship of Mr N. N. Wanchoo, Secretary, Ministry of Industrial Development.

Prof. Gadgil said that as the concessions "are of a general nature they may be made applicable to all districts which could be considered as being industrially backward."

Concessions

Prof. Gadgil said: "Any policy for giving incentives for development of backward areas which does not pay any attention to backward areas in States, not defined as a whole to be backward, is likely to leave out of consideration many districts and areas which should receive such consideration. In order to accommodate this point of view, the Planning Commission proposes different lines of action in relation to the various classes of measures that are recommended for accelerating development areas."

These measures, he said, could be divided into three different classes. Concessions offered by financial institutions for financing industries to backward areas; concessions, incentives and positive measures adopted by Government of a State for actively promoting development of industries in backward areas within the State and fiscal incentives to be given by the Central Government for industries established in backward areas in pursuance of special programmes

Prof. Gadgil said that from all points of view, the recommendation of the Pande working group that each of the States identified as industrially backward should initially concentrate its effort at specially accelerating industrial development in two districts appeared reasonable.

"In order to meet the contention of the other States," he added, "it is also suggested that states not identified as industrially backward by the committee (working groups) should also be allowed to select one backward district in which they undertake special promotional activity."

Joint approach

Referring to the recommendations of the working group on fiscal incentives, Prof. Gadgil said it had made a series of recommendations on fiscal assistance by the Central Governments to industries included in the special programme of development of backward areas in the States.

"It is suggested," he said, "that instead of offering a number of separate incentives, the Central Government should offer one combined measure of assistance and that this should be equal to one tenth of the capital invested in the newly established industries. This measure of subsidisation by the Centre will have to be limited in some manner. Therefore, it will be confined to industries newly established within the districts selected as indicated above and fully backed by the programme of development by the State.

"In relation to recommendations regarding fiscal incentives to be offered by State Governments each State Government will have to take a decision. It is, however, suggested that as it is undesirable to have very large variations from State to State in relation to such incentives, there should be active interchange of ideas between the Governments of States, the Ministry of Industrial Development and the Planning Commission before State Governments arrive at a final decision regarding their package of incentives."

Say for CMs?

In his speech, Prof. Gadgil said the Planning Commission had organised discussions on issues arising out of the two reports with the Reserve Bank, related financial institutions and certain Central Ministries before the meeting of the Committee of Chief Ministers.

The Union Cabinet had authorised the Planning Commission to present the evolved approach and recommendations for consideration of this committee.

Summarising the approach suggested in the paper, Prof Gadgil said that objection was being taken to the identification for special treatment of some States as industrially backward as proposed by the working group.

He said Planning Commission proposes to accommodate the view that any policy for giving incentives for development of backward areas which does not pay any attention to backward areas in States, not defined as a whole to be backward, is likely to leave out of consideration many districts and areas which should receive such consideration

It is suggested that concessions given by financial institutions to industries established in backward areas may be made applicable to all districts which could be considered as being industrially backward. Such a list of districts in all States and Union territories can be drawn up by using the criteria given by the committee on identification of backward areas. This exercise could be undertaken by the Reserve Bank and the related financial institutions.

In relation to measures to be adopted by States, it is the responsibility of the State Governmen to undertake not only a considerable amount of preparatory and promotional work but to build a whole series of socio-economic overheads.

The infra-structural facilities or socio-economic overheads do not include merely communications and supply of power and water but also credit, marketing and storage arrangements, education and health facilities and a given development of co-operative or other organisations which could actively participate in the process of development. The State Government would also have to carry out surveys and feasibility studies.

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27/9/1969.

S.N. to pursue Desai issue with P.M.

BOMBAY, Sept. 26 (UNI)

Congress President Nijalingappa said here today that he had not forgotten the issue of Mr. Morarji Desai's exit from the Union Cabinet and he was keen about discussing it.

Replying to questions at a meeting of the Progressive Group, Mr. Nijalingappa said he would discuss the issue with the Prime Minister and former Deputy Prime Minister Morarji Desai. He was sure Mr. Desai would find an honourable way to serve the country.

Mr. Nijalingappa reiterated, "We all suffered for want of discipline during the last two months and we should not suffer anymore on that account."

The Congress President said, "We have stumbled, but we will not stumble any more." He was speaking on "Democracy in a Developing Country."

Mr. Nijalingappa said that he had never had such a bad time as he had two months ago. It was the most miserable time and the question was how to forge unity in the party.

Every Congressman should improve his sense of discipline for the sake of the party, he added.

Replying to a question on conscience, Mr. Nijalingappa said. "This conscience means convenience and not conviction." The Congress had now got the experience of the same in Manipur, he added.

Attacking communism, he said those who did not believe in fundamental rights were not democratic parties. Linguism, provincialism, communalism and communism were worrying the nation. These dangers should be eliminated and all should behave like one nation.

As regards economic development, the Congress President said on the whole, the country had not done badly on the economic front. What the country needed was hard work which was lacking.

He said bank nationalisation was only a small step and more remained to be done. He wanted public and private sectors and the nationalised and non-nationalised banks to compete with each other.

He suggested the poorer classes should become shareholders of the nationalised banks and representatives of peasants, farmers and small artisans should be taken on the board of directors of those banks.

Mr. S. K. Patil. M.P., said the time had come when the Prime Minister, the Congress President and Mr. Desai should sit together and discuss the issue.

He said Mr. Desai was not anxious to rejoin the Cabinet but bitterness should go. "This is a matter agitating our minds," he said.

Understanding view

Mr. Patil said even the most powerful Prime Minister like Mr. Nehru used to consult and take into confidence and get concurrence of the ministers while changing their portfolios.

In the case of Mr. Morarji Desai it was more necessary for the Prime Minister to consult him before relieving him of his finance portfolio as he was the Deputy Prime Minister.

THE HINDUSTAN TIMES
27/9/1969.

Congress leader harbours a grudge

Madras, Sept. 26 (UNI)—Mr P G. Karuthiruman, leader of the Congress Legislature Party, said here today he would stay away from all the functions of Prime Minister Indira Gandhi during her forthcoming tour of Tamil Nadu as he had not been consulted by Tamil Nadu Congress President C. Subramaniam about her visit.

Addressing a news conference, Mr Karuthiruman said Congress MLAs would, however, be free to act "according to their own conscience."

He charged Mr Subramaniam with taking the State Congress and the Working Committee for granted in connection with the Prime Minister's tour of the State.

Mr Karuthiruman demanded immediate resignation of Mr Subramaniam as President of the TNCC. "The sooner he resigns, the better it wil be for him personally and also for the Congress organisation," he remarked.

"We are anxious to receive the Prime Minister with due honour and give her a fitting reception. But our worry is that Mr Subramaniam has not taken us into confidence with regard to her visit," he added.

Mr Karuthiruman said that Mr Subramaniam, who had recently upheld the contention at Delhi that the parliamentary wing was supreme, was trying to "bind" him, although he was leader of the Congress Legislature Party.

If the Prime Minister really felt that the parliamentary wing was "more powerful," she should take "my advice and postpone her visit to Tamil Nadu.

"If she does this, her prestige will be enhanced" he added.

According to Mr Karuthiruman, even former Congress President K. Kamaraj had not been taken "into confidence" by Mr Subramaniam on the Prime Minister's visit.

He said Mr Subramaniam had drawn up Mrs Gandhi's programme according to his own wishes, because he wanted to show that "he is closer to the Prime Minister," and added, "let him know that he should be closer to the rank and file of the party also."

Replying to a question, Mr Karuthiruman said that as a man with self-respect, there was no question of reconsidering his decision to "stay away" from the Prime Minister's functions.

HINDUSTAN TIMES
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27/9/1969.

Mrs Sinha for inquiry

Hindustan Times Correspondent

New Delhi, Sept. 26—While Deputy Law Minister Yunus Saleem today deplored Pakistan's stand on India's participation in the Islamic Summit, Mrs Tarkeshvari Sinha, MP, bitterly criticised the Government's anxiety to "gate-crash" into the Rabat conference and invite rebuff.

According to Mr Saleem, the people of India, including the 60 million Muslims, regretted the Governments represented at the conference should have yielded to Pakistani pressure and gone back on the unanimous invitation extended to India to send a delegation. The Muslims of India felt deeply hurt and shocked at the "pre-planned and mischievous conspiracy" by Pakistan.

He pointed out the Indian people had always supported the just and legitimate rights of the Arabs. It should now be clear to the whole world that Pakistan utilised its presence at Rabat to serve its own narrow objective of hostility to India instead of appreciating the support of the 550 million people of India, and thus weaken the very object for which this conference was called, he added.

Probe demanded

Questioning the very basis of India's participation in a non-secular conference, Mrs Sinha has urged the Prime Minister to hold an inquiry on "how and why we rushed to Rabat." She said evidently both the Prime Minister and External Affairs Minister Dinesh Singh were not "privy" to this, as they were out of the Capital when the "patently absurd" decisions were being taken to go to this religious conference. But responsibility must be fixed for the insult India has suffered.

She has asked: "Are not we a sizable section of Muslims or secular country? If we have a sizable section of Muslims or Hindus living here, do we lose our secular character? Russia has a sizable section of Muslims, but it did not rush about as we did."

Mrs Sinha has demanded an explanation for this "sordid affair," saying there are ugly rumours that Mr Fakhruddin Ali Ahmed has shown excessive interest in this conference.

UNI, PTI add: Jan Sangh leader Balraj Madhok today described the summit's decision to keep India out of its deliberations as "a well-deserved slap" and said this should open the eyes of the Government.

He said technically Mr Singh might be held responsible for this fiasco. But actually, the entire Government is to blame.

Commenting on the rebuff India got at the summit, former Railway Minister S. K. Patil said: "It seems we have invited insult and had it."

Algeria firmly supported the "participation of the Indian Government" at the Rabat summit, Mr Ali Lakhdari, Algerian Ambassador here, stated tonight.

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PM appeal to States

Continued from page 1 col. 8

causes of the Ahmedabad riots was also stressed.

The Prime Minister gave the Chief Ministers harrowing details of the happenings in Ahmedabad and brought home the point that no civilised country could allow such things to happen. Some Chief Ministers expressed the view, on the basis of whatever reports they had received, that the Gujarat Government had failed to deal with the situation promptly. Mrs Gandhi refused to comment on this and pointed out that a proper inquiry would ascertain the causes and report on the State Government's handling of the trouble.

Besides the Prime Minister, two other members of the Internal Affairs Committee of the Union Cabinet, Home Minister Y. B. Chavan and Food Minister Jagjivan Ram, were present at the meeting. The 11 Chief Ministers present were Mr Brahmananda Reddy (Andhra), Mr B. P. Chaliha (Assam), Mr Bansi Lal (Haryana), Mr Shyama Charan Shukla (Madhya Pradesh), Mr V. P. Naik (Maharashtra), Mr Veerendra Patil (Mysore), Mr R. N. Singh Deo (Orissa), Mr Gurnam Singh (Punjab), Mr M. L. Sukhadia (Rajasthan), Mr C. B. Gupta (U.P.) and Mr Ajoy Mukherjee (West Bengal).

Mrs Gandhi told the Chief Ministers that a communal outbreak should be dealt with separately from other law and order problems, such as political agitations and student unrest, and should be nipped in the bud by taking stringent steps.

The Chief Ministers of Maharashtra and Madhya Pradesh narrated their experiences of handling communal trouble and argued that firmness had to be shown during communal disturbances.

The conference decided that closer liaison should be established between the Central and State intelligence set-up, special intelligence cells should be set-up exclusively for communal activities and the district administration should be strengthened.

The Chief Ministers admitted it was necessary to post experienced officers in the districts. A tendency had come to notice lately that many efficient officers sought sanctuary in the secretariat and were hesitant to go to the districts. It was agreed that steps should be taken to discourage this tendency.

No complacency

The need to prevent repercussions of the Ahmedabad happenings in other States was also stressed. It was felt that no complacency should be allowed to creep in the machinery which should take timely notice of any evidence of communal tension specially with regard to areas or pockets with a history of communal trouble.

The meeting also underlined the importance of non-official co-operation which should be enlisted not merely when there was an actual outbreak of communal trouble but even in normal times at all levels so that prompt steps could be taken at the slightest evidence of trouble.

On their return to the States the Chief Ministers will review the intelligence and administrative arrangements in relation to their adequacy to meet communal riots. They will convene conference of district officers to discuss preventive and precautionary measures. They have agreed to form all-party citizens committees wherever they did not exist so that their services could be utilised in the event of communal trouble.

THE HINDUSTAN TIMES
27/9/1969.

Go all-out to prevent riots, PM tells States

Hindustan Times Correspondent

New Delhi, Sept. 26—At an emergency meeting of Chief Ministers, which discussed the situation arising from communal riots in Gujarat, Prime Minister Indira Gandhi today complained that many States had not implemented the recommendations of the National Development Council on communalism.

Expressing her deep anguish at the recrudescence of communal trouble Mrs Gandhi urged the Chief Ministers to strengthen the intelligence apparatus in their States as also the district administration, lay greater emphasis on preventive measures, set up inter-communal bodies to promote communal harmony and to put down communal disturbances ruthlessly.

The Chief Ministers, who expressed horror and indignation at the Ahmedabad incidents and

Stay order on car prices refused—page 4

gave a frank assessment of the situation, complained that the existing law was not stringent enough to deal with communal trouble. They said so after the Prime Minister had explained to them the amendments made by Parliament in the criminal law providing for stringent punishment for those preaching communal hatred.

Some of them pointed to the danger of allowing communal bodies to flourish and multiply and demanded a ban on such organisations. They wanted the role of various political parties in such disturbances also to be examined. The need to reconvene the National Integration Council to discuss the latest developments was stressed by some. The importance of a full-fledged inquiry to ascertain the

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THE HINDUSTAN TIMES
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Gadgil says States should select growth points

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the question of transport subsidy to the backward areas but deferred a decision pending consultations with the concerned Central Ministries.

Talking to newsmen at the end of the day-long meeting, Dr D. R. Gadgil, Deputy Chairman of the Planning Commission, said the 10 per cent subsidy of the investment in the backward areas would be in addition to the existing financial incentives for industrial development in these areas.

Dr Gadgil said although the opinions initially expressed by many of the Chief Ministers were widely different, finally the committee was able to reach positive conclusions.

Different views

The variation of views related to the definition of the concept of backwardness. It was agreed that the Planning Commission would make a set of proposals and circulate to the State Governments for comments.

The Chief Ministers did not favour the district being considered as a unit for grant of incentives. They wanted some "lower unit" to be adopted for the purpose.

A number of Chief Ministers challenged the definition of backwardness evolved by the working group. The opposition, Dr Gadgil said, came from those States which were not listed as backward by the working group.

The Chief Ministers of Maharashtra and West Bengal opposed the working groups' suggestion that there should be no more licensing of industries in metropolitan cities like Calcutta and Bombay.

UNI adds:

In his opening address, Dr Gadgil said each State Government would have to take a decision on the fiscal incentives to be offered by them. It was, however, undesirable to have "very large variations" from State to State in relation to these incentives, he said.

The Chief Ministers of Andhra Pradesh, Assam, Haryana, Madhya Pradesh, Maharashtra, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal and the Governor of Bihar, Finance Ministers of other States and representatives of various financial institutions attended the meeting.

Dr Gadgil referred to the "objection" taken by some States to the identification for "special treatment of some States as industrially backward as proposed by the working group." Their contention was that although larger areas or a number of districts in some States might be industrially backward than in other States, a number of areas or districts in most States were also industrially backward.

The commission proposed different lines of action in relation to the various classes of measures that were recommended for accelerating industrial development in backward areas.

These measures were:

(1) Concessions offered by financial institutions for financing industries in backward areas,

(2) Concessions, incentives and positive measures adopted by the States for actively promoting development of industries in backward areas within the State,

(3) Fiscal incentives to be given by the Central Government for industries established in areas in pursuance of special programmes by the States.

Feasibility studies

Dr Gadgil suggested that the concessions given by financial institutions, which were of a general nature, need not be confined only to a small number of districts. An appropriate combination of identification of backward districts in all States and the Union territories could be drawn up, possibly by the Reserve Bank of India and allied financial institutions.

He said since it was the responsibility of the State Governments to build up necessary socio-economic overheads, they would have to carry out surveys and feasibility studies to identify and select growth points, locate entrepreneurs or appropriate organisation like promising co-operatives and develop industrial estates or areas.

All these, he said, would require investment of "very considerable resources" and it was highly unlikely that the States would be able to initiate such projects simultaneously over a large number of areas.

From all these points of view, Dr Gadgil said, the recommendation of the working group that each of the State identified as industrially backward should initially concentrate its efforts on specially accelerated industrial development in two districts "appears reasonable."

Dr Gadgil suggested the States not identified as industrially backward by the committee should also be allowed to select one backward district in which they could undertake special promotional activity.

Combined aid

He also suggested that instead of offering a number of separate incentives, the Union Government should offer one combined measure of assistance and that this should be equal to one-tenth of the capital invested in the newly-established industries. This measure of subsidy by the Centre would have to be limited in the same manner It would, therefore, be confined to industries newly established within the districts selected and fully backed by the programme of development by the State

The new shift in emphasis of the Planning Commission that the unit for indentification of backward areas should not only be a State but also areas of districts of even industrially progressive States was the main point of discussion at the meeting.

THE HINDUSTAN TIMES
27/9/1969.

Backward areas

Subsidy favoured for new industries

Hindustan Times Correspondent

New Delhi, Sept. 26—A committee of the National Developmental Council consisting of Chief Ministers has favoured a Central subsidy to encourage setting up of industrial undertakings in the backward areas.

The committee, which met here today to consider the special problems of the backward areas, felt that 10 per cent of the total fixed capital investment of such projects should be met by the Centre in the form of subsidy.

The subsidy would be available to undertakings both in the public and private sectors and would be subject to a ceiling of Rs 5 lakhs.

The committee also agreed that incentives and concessions by financial institutions should be generalised and given to the backward areas in all the States and the Union Territories.

Selected districts

This is at variance with the recommendation of the Pande Committee on identification of the backward areas which had suggested that as a first step it would be desirable to select certain backward districts only in the industrially backward States for special treatment by way of incentives. The Pande Committee had listed nine States and four Union Territories as industrially backward.

It was also decided today that, initially, incentives for industrial development should be given to two selected backward districts in the industrially backward States and one district each in the industrially advanced States and Union Territories.

The committee also discussed

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THE HINDUSTAN TIMES
27/9/1969.

We have stumbled, says Nijalingappa

Bombay, Sept. 26 (UNI)—Congress President S. Nijalingappa reiterated here today that "We all suffered for want of discipline during the last two months and we should not suffer any more", on that account.

Addressing the progressive group, the Congress President said: "We have stumbled, but we will not stumble any more". He was speaking on "Democracy in a developing country". Former Railway Minister S. K. Patil also spoke.

Mr Nijalingappa said he had never had such a bad time as he had two months ago. It was the most miserable time and the question was how to forge unity in the party. Every Congressman should improve his sense of discipline for the sake of the party, he added

Replying to a question on conscience, Mr Nijalingappa said: "This conscience means convenience and not conviction". The Congress had now got the experience of the same in Manipur, he added.

Questioned about the current disturbance in Gujarat, he said some parties wanted to make political capital out of it and were trying to denigrate the Gujarat Government. He congratulated the Gujarat Chief Minister and his colleagues on handling the situation firmly and said "they will not be disturbed so long as I am there."

TIMES OF INDIA
27/9/1969.

Developed States too to get aid: backward areas

"The Times of India" News Service

NEW DELHI, September 26.

THE Chief Ministers of developed States today succeeded in prevailing upon the Planning Commission to accept a wider definition of backwardness than what was proposed by the Pande Committee.

As a result, these States will also be eligible now to receive the concessions and financial assistance that are proposed to be given to the backward States for their development.

There is, however, one significant distinction. While the backward States will be entitled to select two districts for such development, the developed States, like the Union Territories, will be asked to develop one backward district each.

The new formula has not, apparently, satisfied the nine backward States listed in the Pande Committee report but the deputy chairman of the Planning Commission, Dr. D. R. Gadgil, himself initiated the move for the acceptance of a wider application of the term "backwardness" at the meeting of the committee of the National Development Council today.

DIFFERENT LINES OF ACTION

In his opening speech, Dr. Gadgil said, "Any policy for giving incentives for development of backward areas which does not pay any attention to backward areas in States that have not been defined as a whole to be backward is likely to leave out of consideration many districts and areas which receive such consideration.

"In order to accommodate this point of view, the Planning Commission proposes different lines of action in relation to the various classes of measures that are recommended for accelerating the development of industrially backward areas."

For instance, he pointed out that since the concessions to be given by financial institutions to industries established in backward areas were to be of a general nature, they need not be confined to a few small districts but be made applicable to all districts which could be considered backward.

DIVERGENT VIEWS

There was considerable divergence of opinion among the Chief Ministers on the criteria to be adopted for determining backwardness and the help to be given for the development of backward areas.

The Planning Commission agreed to draw up the criteria in consultation with the financial institutions and the State Governments.

The NDC committee did not have much of a discussion on the nature of the concessions that were proposed to be offered by the financial institutions. These were considered by the Union Cabinet last week and approved. The committee endorsed the Cabinet's decisions.

Besides offering loan capital to industries in backward areas at a lower rate of interest—five to six per cent., it was also proposed to subsidise their capital to the extent of ten per cent., provided the cost of a project did not exceed Rs. 50 lakhs.

It was also agreed that the concessions should be available to both private-sector and public-sector industries without any discrimination.

During the discussions, Tamil Nadu pleaded for the delegation of powers to the States to issue industrial licences and release foreign exchange to industries.

"It is only by the dispersal of

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CMs against limiting incentives to 'districts'

Continued from Page 1 Column 7

power that dispersal of industries can be brought into full force," the State Minister for Education and Health, Mr. V. R. Nedunchezhian, said.

The Punjab Chief Minister, Mr. Gurnam Singh, wanted big industries to be set up in his State.

"The existing industry in Punjab," he said, "is mostly small-scale industry and is sure to suffer in the absence of large-scale industries."

He also complained about the inadequate share of Punjab in public sector industrial projects.

He said regional industrial imbalances had been caused by the Centre's licensing policy.

The committee met to consider the reports of two working groups—one on the indentification of backward areas and the other fiscal and financial incentives for starting industries in the areas.

The committees were headed by Mr. B. D. Pande, Secretary to the Planning Commission, and by Mr. N. N. Wanchoo, Secretary to the Ministry of Industrial Development, respectively.

Dr. Gadgil referred to the different lines of action proposed by the Planning Commission on the various classes of measures recommended by the Pande Committee.

These measures, he said, could be divided into three classes: (1) concessions offered by financial institutions for financing industries in backward areas;

(2) concessions, incentives and positive measures adopted by a State Government for actively promoting development of industries in the backward areas within the State; and (3) fiscal incentives to be given by the Central Government for industries established in backward areas in pursuance of the special programmes in this behalf by the State Governments.

Dr. Gadgil said that, from all points of view, the recommendation of the Pande group that each of the States identified as industrially backward should initially concentrate its efforts at specially acclerating industrial development in two districts appeared reasonable.

ONE COMBINED AID

"To meet the contention of the other States, "it is also suggested that States not identified as industrially backward should also be alowed to select one backward district in which they undertake special promotional activity."

"It is suggested that, instead of separate incentives, the Central Government should offer one combined assistance which should be equal to one-tenth of the capital invested in the newly-established industries.

"This measure will have to be limited. Therefore, it will be confined to newly-established industries."

On the recommendations on fiscal incentives to be offered by the State Governments, each State Government will have to take a decision. As it is undesirable to have very large variations from State to State on such incentives, there should be an active inter-change of ideas among the State Governments, the Ministry of Industrial Development and the Planning Commission before they arrive at a decision.—P.T.I.

The Chief Minister of Maharashtra, Mr. V. P. Naik, told the committee that Maharashtra was not a highly developed industrial State as it was generally believed to be.

"How can a State whose 80 per cent. of the population has less per capita income than the national average be called a developed State?"

Mr. Naik said national interest should guide the policy of industrialisation of backward areas. It would be against the interests of the country if penal disincentives were applied in the form of stopping aids, subsidy and incentives to industries located in industrially developed markets.

Mr. Naik complained that textile mills in Vidarbha were being closed down "owing to faulty planning." He said the Planning Commission should give special attention to industrial units which were already in existence giving employment to thousands of people instead of starting industries in new areas.

U.N.I. adds: The Chief Ministers did not want the incentives to be limited to "districts." The committee agreed that "some lower unit" should be adopted. For the time being, it was accepted that an area equivalent to a district be taken as a unit. The Planning Commission and the States would later evolve a definition of the area.

So far as transport subsidy was concerned, the committee was informed that the commission had taken up with the matter with the concerned Central Ministry and a decision would be taken soon.

On the working group's recommendation that there should be no more licensing of industries in metropolitan cities like Calcutta and Bombay, Dr. Gadgil said the Chief Ministers of Maharashtra and West Bengal "definitely did not agree" to it. This kind of negative things the committee did not consider, he said.

In a note circulated at the meeting, the Planning Commission said that it believed that the backward States would have to gear up their administrative machinery and infuse it with "a sense of dynamism" to develop industrially.

The commission felt that the biggest single reason for industrial backwardness in many parts of the country lay in the lack of attitude and motivation that rested with the State Governments.

It said, "A great responsibility will devolve on the State departments of industries, finance corporations and industrial development corporations. Particular care is needed in the selection of officers to be in charge of these departments and the institutions."